

Natalie M. Cox

Honorable Natalie M. Cox
United States Bankruptcy Judge



Entered on Docket
January 09, 2023

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**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEVADA**

In re:)	Case No.: BK-22-14422-nmc
)	
MUSCLEPHARM CORPORATION,)	Chapter 11
)	
Debtor.)	
)	Hearing Date: January 6, 2023
)	Hearing Time: 9:30 a.m. (PT)

**ORDER (I) AUTHORIZING THE DEBTOR TO PAY WAGES,
SALARIES, BENEFITS, AND OTHER EMPLOYEE OBLIGATIONS, AND
(II) AUTHORIZING AND DIRECTING FINANCIAL INSTITUTIONS TO HONOR
AND PROCESS CHECKS AND TRANSFERS RELATED TO SUCH OBLIGATIONS**

Upon the motion (the “**Motion**”)¹ of MusclePharm Corporation, the debtor and debtor-in-possession in the above-referenced proposed Chapter 11 case (the “**Debtor**”), by and through its proposed counsel of record, Schwartz Law, PLLC (“**SL**”), for the entry of an order (i) authorizing the Debtor to pay Employee Wage Obligations, Employee-Related Taxes and Employee Benefits Obligations (collectively, the “**Employee Obligations**”) and (ii) authorizing and directing all banks

¹ Capitalized terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the Motion.

1 to honor prepetition checks and automatic transfers for payment of the aforementioned employee
2 obligations, pursuant to Sections 105, 363(b), 507(a), 541, 1107 and 1108 of the Bankruptcy Code;
3 and it appearing this proceeding is a core proceeding pursuant to 28 U.S.C. § 157(b); and it
4 appearing that this Court has exclusive jurisdiction over the subject matter of the Application
5 pursuant to 28 U.S.C. § 1334(e)(2); and it appearing that venue is proper pursuant to 28 U.S.C. §§
6 1408 and 1409; and upon the record of the hearing held on the Application; and it appearing that
7 proper and adequate notice of the Application has been given and that no other or further notice is
8 necessary; and after due deliberation thereon, and all parties appearing having an opportunity to be
9 heard; and good and sufficient cause appearing therefore, it is hereby:

10 **IT IS HEREBY ORDERED** that:

- 11 1. The Motion is **GRANTED**.
- 12 2. The Debtor is authorized, but not directed, in its sole discretion, to pay, honor, or
13 otherwise satisfy, all amounts and obligations on account of the Employee Obligations
14 (other than prepetition wages, which have already been paid by a third party), as and
15 when such obligations come due, *provided, however*, that the Debtor shall not make any
16 payments in excess of the limits set forth in Section 507(a)(4) and (a)(5) of the
17 Bankruptcy Code.
- 18 3. Debtor's banks are authorized to receive, process, honor and pay all checks and fund
19 transfers on account of the Employee Obligations that had not been honored and paid
20 as of the Petition Date, provided that sufficient funds are on deposit in the applicable
21 accounts to cover such payments.
- 22 4. The Debtor is authorized to issue new postpetition checks or effect new postpetition fund
23 transfers on account of the Employee Obligations to replace any prepetition checks or
24 fund transfer requests that may be dishonored or rejected.
- 25 5. The Debtor may pay any and all Employee-Related Taxes, whether or not these
26 obligations arose prepetition or postpetition. Any party receiving payment from the
27 Debtor is authorized and directed to rely upon the representations of the Debtor as to
28 which payments are authorized by this Order.

6. Notwithstanding any provision of this Order to the contrary, no payments are permitted which may implicate Section 503(c) of the Bankruptcy Code and nothing in this Order shall prejudice the Debtor's ability to seek approval of relief pursuant to Section 503(c) of the Bankruptcy Code at a later date.
7. Bankruptcy Rule 6003(b) has been satisfied with respect to the payments authorized by this Order.
8. The relief provided in this Order is necessary to avoid immediate and irreparable harm to the Debtor and its estate.
9. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry. To the extent that it may be applicable, the fourteen-day stay imposed by Bankruptcy Rule 6004(h) is hereby waived.
10. Nothing in this Order shall be construed to permit or allow any reimbursement to Ryan Drexler for funding the Debtor's pre-petition or post-petition payroll obligations, which reimbursement shall be subject to further order of the Court.
11. The Debtor is authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.
12. This Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Submitted by:

SCHWARTZ LAW, PLLC

By: /s/ Samuel A. Schwartz

Samuel A. Schwartz, Esq.
601 East Bridger Avenue
Las Vegas, NV 89101

Proposed Attorneys for the Debtor

1 Approved:

2 TRACY HOPE DAVIS
3 UNITED STATES TRUSTEE

4 By: /s/ Jared A. Day
5 Jared A. Day, Esq.
United States Department of Justice
Attorney for the United States Trustee

6 Approved:

7 GARMAN TURNER GORDON

8 By: /s/ Mark M. Weisenmiller
9 Mark M. Weisenmiller, Esq.
Attorneys for Empery Tax Efficient, L.P.

Approved:

CARLYON CICA CHTD.

By: /s/ Candace Carlyon
Candace Carlyon, Esq.
Attorneys for Ryan Drexler

Approved:

PACHULSKI STANG ZIEHL & JONES
LLP

By: /s/ Jason Rosell
Jason Rosell, Esq.
*Attorneys for the Official Committee
of Unsecured Creditors*

Approved:

LEWIS ROCA ROTHGERBER CHRISTIE
LLP

By: /s/ Ogonna Brown
Ogonna Brown, Esq.
Attorneys for Prestige Capital Finance, LLC

LR 9021 CERTIFICATION

In accordance with LR 9021, counsel submitting this document certifies that the order accurately reflects the court's ruling and that (check one):

- ☐ The court has waived the requirement set forth in LR 9021(b)(1).
- ☐ No party appeared at the hearing or filed an objection to the motion.
- ☒ I have delivered a copy of this proposed order to all counsel and any unrepresented parties who appeared at the hearing, except those as to whom review was waived on the record at the hearing, and each has approved or disapproved the order, or failed to respond, as indicated above.

Jared A. Day, Esq. **Approved/Disapproved**
United States Department of Justice

Mark M. Weisenmiller, Esq. **Approved/Disapproved**
Attorneys for Empery Tax Efficient, L.P.

Candace Carlyon, Esq. **Approved/Disapproved**
Attorneys for Ryan Drexler

Jason Rosell, Esq. **Approved/Disapproved**
*Attorneys for the Official Committee
of Unsecured Creditors*

Ogonna Brown, Esq. **Approved/Disapproved**
Attorneys for Prestige Capital Finance, LLC

- ☐ I certify that this is a case under Chapter 7 or 13, that I have served a copy of this order with the motion pursuant to LR 9014(g), and that no party has objected to the form or content of this order.

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